



Community Development Block Grant

ADDRESSING UNMET NEEDS IN LOUISIANA'S DISASTER RECOVERY HOUSING PROGRAMS

Background

In the wake of the Hurricane's Katrina and Rita, an unprecedented number of homes in Louisiana were destroyed or suffered severe damage. In addition, 82,000 rental properties were either destroyed or suffered severe damage, and statewide housing repair costs are estimated at \$32 billion. Some, but not all, of these losses were insured. Of the rental and owner-occupied units that became uninhabitable, a substantial portion was occupied by low-income households.

After the devastating destruction of Hurricane's Katrina and Rita, Louisiana was awarded federal financial assistance to provide for recovery programs. The biggest of these was the homeowner compensation program which has distributed over \$8.2 billion dollars to aid in the recovery for affected homeowners. Through the end of 2009, 126,090 applicants were provided with assistance to rebuild their homes. Despite this unprecedented level of assistance, some Louisiana families and individuals have received insufficient financial assistance from governmental and private sources to complete the re-building process.

The federal funding source, the Department of Housing and Urban Development, has analyzed this situation and has determined that under the Stafford Act "there is no prohibition on providing additional assistance in cases in which the initial assistance was insufficient to meet a household's disaster recovery housing needs". There may be instances where a person or family has received benefits from the Federal Emergency Management Agency (FEMA) or another source (including Community Development Block Grant (CDBG) disaster recovery assistance) but the assistance was not enough and consequently, there are still unmet disaster recovery needs. For example, if a person received the maximum award under the Road Home program, but the true cost of repairing or replacing the damaged home is greater than the assistance already provided (figuring in insurance and any other sources), the person is eligible to receive additional CDBG assistance. The Stafford Act (the Act) specifically provides at 42 USC section 5155 that "Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided." Other factors contributing to a person's ongoing unmet housing needs include contractor fraud, forced mortgage payoff, and loss of income.



Community Development Block Grant

To address the unmet needs of disaster victims and move the state's post-hurricane rebuilding forward, Louisiana will provide additional financial assistance to homeowners where a *clear and undisputable need exists*.

To implement this policy, the Office of Community Development will identify those previous applicants for homeowner compensation assistance that have insufficient resources to complete the repair/rebuilding of their hurricane damaged residency. We will determine the gap that exists by comparing their estimated cost of damage/rebuilding estimate to previously received assistance including:

- Road Home [HUD] funds;
- FEMA assistance;
- Small Business Administration loans or grants;
- Insurance payments
- Private funds [foundation, charity etc.]
- Any other third party funds

Potential reasons for continued unmet needs will include:

- Insufficient assistance provided
- Contractor fraud
- Contaminated Drywall
- Forced mortgage payoff
- Fraud or negligence by a family member
- Theft or burglary
- Living costs incurred while displaced
- Loss of Income

Louisiana will exercise due diligence in conducting and documenting all individual files being considered to be fully assured that the additional funding is necessary to complete the rebuilding process. Applicants for this funding will be required to provide any documentation required to verify unmet need and to confirm all their statements, which may be subject to prosecution for misrepresentation.

LHFA NONPROFIT REBUILDING PILOT PROGRAM

UNMET NEEDS RISK ASSESSMENT

Note: The purpose of the unmet needs risk assessment is to determine if an eligible *qualifying event(s)* contributed to the gap and prevention in rebuilding your flood or storm damaged home. These qualifying events are the policies as defined by the Louisiana Recovery Authority and The Office of Community Development Disaster Recovery Unit.

Date: _____ Organization: _____

Name: _____

Damage Property Address: _____

I. I have a gap in the rebuilding of my property due to (check all that apply):

- ☐ Compensation received from federal dollars and/or insurance was insufficient
- ☐ Rebuilding Compensation was used to pay rent while displaced
- ☐ Forced Mortgage Payoff
- ☐ Contractor's Fraud/Negligence by LA License Contractor
- ☐ Contractor's Fraud/Negligence by Non-LA License Contractor
- ☐ Fraud or Negligence by a Family Member
- ☐ Theft or Burglary
- ☐ Loss of Income
- ☐ Contaminated Drywall
- ☐ Other: _____

II. Applicant Fraud Certification

I understand that I may be required to provide one or more forms of documentation to support my unmet need in an effort to expedite the rebuild of my property. I certify that all items checked on this assessment are true and accurate to the best of my knowledge and fully understand that this information is subject to verification by the State or HUD upon their request.

Applicants may be prosecuted by Federal, State and/or local authorities and/or be asked to repay Grant proceeds in the event that owner(s) make or file false, misleading and/or incomplete statements and/or forge documents and/or supply fraudulent documents to the program in order to receive Federal Grant disbursements. If the agency suspects fraud, the agency will investigate the facts regarding the suspected fraud, and, if agency determines after investigation that fraud has occurred, then Agency will refer fraud cases to Federal, State, and/or Local criminal prosecution authorities for further investigation and, if necessary, prosecution.

Applicant: _____ Date: _____

Co-Applicant _____ Date: _____

Date: _____ Organization: _____

Applicant's Name: _____

III. Supporting Documentation

All applicants will be required to provide one or more forms of documentation to support the qualifying event(s) selected on the assessment. All qualifying events must have the correct documentation attached to be eligible.

Qualifying Event	Documentation
Compensation received from federal dollars and/or insurance was insufficient;	Copy of Appraisal or Architectural Drawings, Contractor's Bid from LA License Contractor
Rebuilding Compensation was used to pay rent while displaced	Cancelled Checks/Bank Statements, Notarized Signed Affidavit from Landlord
Forced Mortgage Payoff	Insurance/Mortgage Statement and Cancelled Checks/Bank Statements
Contractor's Fraud/Negligence by LA License Contractor, Contractor's Fraud/Negligence by a Non-LA License Contractor, Contaminated Drywall	Formal Claim from LA Contractors Licensing Board, Formal Claim from the LA Attorney General's Office, and one or more of the following: Bids, Photos, Receipts, Legal Documentation
Fraud or Negligence by a Family Member	Police Report, Legal Documentation, Cancelled Checks/Bank Statements
Theft or Burglary	Police Report, Legal Documentation, Cancelled Checks/Bank Statements, Photos, Insurance Claim
Loss of Income	Death Certificate (if loss of wage earner), Proof of Unemployment Benefits, Income Tax Form 1040
Notarized Signed Affidavit	Required with all documentation

IV. Organization Fraud Certification

I certify that all documentation submitted has been reviewed and determined as acceptable documentation to support an eligible qualifying event to the best of my knowledge per the guidelines listed above. I fully understand that this information is subject to verification by the State or HUD upon their request. Falsifying this information may result in a payback of CDBG Funds and federal prosecution.

Applicants may be prosecuted by Federal, State and/or local authorities and/or be asked to repay Grant proceeds in the event that owner(s) make or file false, misleading and/or incomplete statements and/or forge documents and/or supply fraudulent documents to the program in order to receive Federal Grant disbursements. If the agency suspects fraud, the agency will investigate the facts regarding the suspected fraud, and, if agency determines after investigation that fraud has occurred, then Agency will refer fraud cases to Federal, State, and/or Local criminal prosecution authorities for further investigation and, if necessary, prosecution.

Agency Representative: (print) _____

Signature: _____ Date: _____

State of Louisiana

Parish of _____

Affidavit

Before me, the undersigned Notary, personally came and appeared:

Applicant/Homeowner

Applicant/Homeowner

The Louisiana Housing Finance Agency (LHFA), the Louisiana Recovery Authority (LRA) and the Louisiana Office of Community Development, Disaster Recovery Unit together have developed the Nonprofit Pilot Program using the State's disaster Community Development Block Grant (CDBG) funding. The Nonprofit Rebuilding Pilot Program (NRPP) is designed to provide funding to repair and rehabilitate owner-occupied homes for families and individuals, impacted by Hurricanes Katrina and Rita, who continue to have a gap in financial means due to resource limitations, contractor's fraud, forced mortgage payoffs or other means. These funds are to assist low and moderate income owner occupant households.

To help establish (his/her) eligibility for the Nonprofit Rebuilding Pilot Program (NRPP), the Applicant(s)/Homeowner(s), known to me to be credible persons and of lawful age, who being duly sworn on (his/her) oath, depose and state that Homeowner/Applicant suffers a gap in financial means to achieve the repair or rehabilitation of the owner-occupied Katrina/Rita damaged homes due to one of the following reasons (please check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> 1. Insufficient assistance provided | <input type="checkbox"/> 5. Contractor fraud |
| <input type="checkbox"/> 2. Forces mortgage payoff | <input type="checkbox"/> 6. Fraud or negligence by a family member |
| <input type="checkbox"/> 3. Theft or burglary | <input type="checkbox"/> 7. Living cost incurred while displaced |
| <input type="checkbox"/> 4. Contaminated Drywall | <input type="checkbox"/> 8. Loss of income |

at my home/property located at: _____

Physical Address

_____, LA _____
City Zip

For the items checked, provide detail explanation. All written explanations are taken by Notary from Homeowner/Applicant as sworn statements under oath subject to legal requirements prohibiting perjury:

As evidence to my duly sworn statement, I have provided documentation to support this affidavit and said documentation is attached as Exhibit A, Exhibit B, etc.

The Owner(s) fully acknowledge and understand that this affidavit shall be enforceable, at law or in equity, by the State of Louisiana or the United States of America, and as the Owner(s) hereby agree(s) that the State of Louisiana or the United States of America may demand repayment of Grant proceeds or compel specific performance by the Owner(s) or claim injunctive relief against the Owner(s) for violation of this affidavit, without posting bond and without the need for demonstrating irreparable harm.

Fraud Acknowledgement: Owner(s) assert, certify and reaffirm that all information on this affidavit to OCD-DRU NRPP will support my statement that I have insufficient funds to rebuild, including the application, covenant, documentation provided (e.g., receipts, invoices, bank statements, canceled checks, self certification affidavits, etc) are true to the best of his/her/their knowledge. Owner(s) acknowledge that said documents provided to OCD-DRU NRPP are used to make a determination of eligibility for the NRPP Grant Award. Owner(s) certify that all unmet needs claimed in connection with the Owner(s)' reconstruction/elevation/individual mitigation measures application for grant proceeds were a direct result of the declared disaster(s) and for the owner(s) damaged structure; and that owner(s) have disclosed to OCD-DRU NRPP all insurance proceeds and other funds received from governmental agencies that classify as a duplication of benefits as compensation for damages and intended rebuilding measure (e.g. elevation or reconstruction) as a result of the declared disaster. Owner(s) acknowledge that they may be prosecuted by Federal, State and/or local authorities or be asked to repay Grant proceeds in the event that owner(s) make or file false, misleading and/or incomplete statements and/or forge documents and/or supply fraudulent documents to the program in order to receive NRPP Grant disbursements. Owner(s) acknowledges notice of the danger of fraud and scams perpetrated by unscrupulous individuals, contractors and businesses and that the State has provided an Office of Fraud to address such.

NOW, THEREFORE, as each party to this affidavit have sworn that the contents herein are accurate and truthful, and having both acknowledged the enforcement and fraud provisions stated herein, do hereby execute this affidavit.

Applicant/Homeowner

Applicant/Homeowner

Applicant/Homeowner (Print Name)

Applicant/Homeowner (Print Name)

Witness

Witness

Witness

Witness

Subscribed and sworn to before me, this _____ day of _____, 20____.

Signature of Notary

Printed Name of Notary

Commission Number _____

My Commission Expires _____